



Chapter 13

Additional Appropriation and Transfer Procedures

IMPORTANT NOTICE

There is an official state form (SF 55819, available at <https://forms.in.gov/Download.aspx?id=12270>) that must be used to file an additional appropriation with the Department of Local Government Finance ("Department").

Additional Appropriations

The additional appropriation process is used to appropriate money in excess of the Department's certified appropriations for a unit for the current budget year. Although the fiscal body of a unit must act on all additional appropriations, approval by the Department is only required for funds that receive revenue from property taxes levied under IC 6-1.1 or the Motor Vehicle Highway ("MVH") Fund (IC 8-14-1-1), Local Road and Street ("LRS") Fund (IC 8-14-2-4), Rainy Day Fund (IC 36-1-8-5.1), or the Library Improvement Reserve Fund ("LIRF") (IC 36-12-3).

Other additional appropriations must only be reported ("reporting-only funds") to the Department. Since the Department must acknowledge reporting-only funds, submission of the unit's financial information is necessary to ensure that adequate funds are available to support the additional appropriation request. Therefore, the Department will require a Certified Copy of Additional Appropriation (Form 55819) to be completed for all reporting-only funds. Additional appropriations from the proceeds of bonds and loans are reporting-only funds and do not require Department approval unless the proceeds are deposited in a fund receiving property tax or state distributions. Additional appropriations meeting the requirements of IC 8-16-3-3(c) (Cumulative Bridge Fund) also are reporting-only funds and do not require Department approval. The Department will acknowledge the receipt of information for reporting-only funds. The Department relies heavily on individual fiscal officers to provide accurate information. The Department will approve additional appropriation requests only after tax rates have been certified for the county for the current year.

SBOA recommends appropriating all grants. If grant monies are receipted into a previously established fund requiring appropriation, the unit must follow the additional appropriation procedures for that fund as outlined herein. If the grant monies are provided by the state or federal government as a reimbursement of an expense made by the unit (IC 6-1.1-18-7.5), the grant monies do not need to be appropriated or reported to the Department by the taxing unit in order to make expenditures. Grant monies must be expended in accordance with the grant budget.

Additional Appropriations/Transfer Procedures 2016 -

[http://www.in.gov/dlgf/files/pdf/160426 - Jones Memo -
Additional Appropriation and Transfer Procedures.pdf](http://www.in.gov/dlgf/files/pdf/160426%20-%20Jones%20Memo%20-%20Additional%20Appropriation%20and%20Transfer%20Procedures.pdf)

Transfer of Funds to and From the Rainy Day Fund

Money is never transferred out of the Rainy Day Fund. To spend money from the Rainy Day Fund requires a submitted and approved budget or an additional appropriation.

To establish the Rainy Day Fund requires a resolution. Here is a copy of the resolution found on the LDO website at www.in.gov/library/3289.htm Please see the following page for a template which can be adapted to your library purposes.

A taxing unit can transfer unused and unencumbered funds from its General Fund or other property tax levy funds (excluding debt service funds) to the Rainy Day Fund. In addition, other unobligated cash balances from any fiscal year (excluding debt service funds) may also be transferred to the Rainy Day Fund pursuant to an ordinance or resolution that authorizes and identifies the amount, which cannot exceed 10% of the taxing unit's total annual budget for that fiscal year.

The Rainy Day Fund is subject to the same appropriation process as other funds that receive tax money. Before making an appropriation from the Rainy Day Fund, the fiscal body shall make a finding that the proposed use of the Rainy Day Fund is consistent with the expressed intent of the fund.

The Department may not reduce the actual or maximum permissible levy of a unit as a result of a balance in the Rainy Day Fund of the unit.

Transfers to or from the Rainy Day Fund must be reported to the Department. Units must submit to the Department the resolution/ordinance from the fiscal body approving the transfers. The resolution/ordinance must include the name of each fund and the amount being transferred out of each fund to the Rainy Day Fund. Resolutions/ordinances establishing the Rainy Day Fund must also be submitted to the Department.

Further procedures for Rainy Day Fund are outlined in Chapter 3 starting on page 3 of the State Board of Accounts Manual of Accounting for Public Libraries found online at www.in.gov/sboa/2802.htm.

Resolution to Establish a Rainy Day Fund

WHEREAS, the Board of Trustees of the _____ Public Library (hereafter "Board") finds that the purposes of the _____ Fund has been fulfilled [or list specific multiple funds if applicable]; and,

WHEREAS, there remains in the fund unused and unencumbered funds, and

WHEREAS, I.C. 36-1-8-5 and I.C. 36-1-8-5.1 authorizes the board to transfer such funds, at any time during the fiscal year, to a Rainy Day Fund so long as the amount of funds transferred is not more than 10% of the library's total annual budget for the fiscal year.

NOW THEREFORE BE IT RESOLVED, that the Board does hereby establish a Rainy Day Fund for the following purpose: _____; and

BE IT FURTHER RESOLVED, that sources of funding for the Rainy Day Fund may include unused and unencumbered funds under I.C. 36-1-8-5; funds received under I.C. 6-3.5-1.1-21.1 (CAGIT); I.C. 63.5-6-17.3 (COIT); I.C. 6-3.5-7-17.3. (CEDIT), or any other funding source specified in any future resolution adopted under I.C. 36-1-8-5.1 which is not otherwise prohibited by law; and [modify this clause, or delete, as appropriate for your library]

BE IT FURTHER RESOLVED, that the Board acknowledges that this fund is subject to the same appropriation process as other funds that receive tax money; and

BE IT FURTHER RESOLVED, that the Board hereby transfers the balance of the _____ Fund [or list specific multiple funds if applicable] to the Rainy Day Fund, such transfer being in the amount of \$_____; and

BE IT FURTHER RESOLVED, that the Board will report this transfer to the Department of Local Government Finance.

DULY ADOPTED by the Board of Trustees of the _____ Public Library at its regular meeting held on the _____ day of _____, _____, at which meeting a quorum was present.

NAY

AYE

ATTEST: _____

Secretary

Transfer of Funds to Library Improvement Reserve Fund (LIRF)

For procedures on transferring funds to Library Improvement Reserve Fund (LIRF) see Chapter 3 starting on page 3 of the State Board of Accounts Manual of Accounting for Public Libraries found online at www.in.gov/sboa/2802.htm

The LIRF fund is established by Resolution. The money is not to be set up in a separate bank account. The transfer is authorized by a warrant from the operating fund. The actual transfer may occur at any time but needs to be completed before the appropriation expires at the end of the year.

Procedure for Additional Appropriation

The following steps must be followed to obtain an additional appropriation that was not included in the certified annual budget and certified appropriations of the unit as reflected on Line 1 of the final version of the unit's Fund Report. These procedures are followed for reporting only funds such as Rainy Day Fund and Library Improvement Reserve Fund (LIRF). For categorized budgets with the Library's operating fund see the procedure to follow for transfers of appropriations when an equal amount of appropriations are reduced in one major category and reappropriated in another major category within the same fund.

Library board gives notice of proposed additional appropriation. The notice shall state the time and place at which a public hearing will be held on the proposal. The notice shall include fund name and number, a categorical breakdown of the proposed additional appropriation for each fund, and the total of the proposed additional appropriation for each fund. The notice shall be published one time in two newspapers, if available, not less than ten (10) days before the public hearing on the proposal, in accordance with IC 5-3-1-2(b).

The library board shall hold the public hearing on the proposal as advertised. At the public hearing, action shall be taken to approve, modify, or disapprove the proposed additional appropriations as advertised. If the board tables the request until the following meeting, the additional appropriation does not have to be re-advertised provided the tabling of the request is stated publicly and included in the minutes of the correct advertised meeting to follow. The board shall not adopt appropriations exceeding the amount advertised.

If the library board proposes to make an additional appropriation for a year, and the additional appropriation would result in the budget for the library for that year increasing (as compared to the previous year) by a percentage that is greater than the result of the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the calendar year minus one (1), the additional appropriation must first be approved by the city, town, or county fiscal body described in IC 6-1.1-17-20.3(c).

After the public hearing, the proper officers complete and file with the Department of Local Government Finance a Certified Copy of Additional Appropriation ("Certified Copy") and any other relevant information, including the unit's financial information. The requested amount of additional appropriation shown on the Certified Copy must not exceed the fiscal body's final approved amount or the advertised amount. (A sample of the Certified Copy is appended to this memorandum.) Units must use the format of the appended Certified Copy sample.

If the miscellaneous revenue amount entered on Line 4 of the Certified Copy exceeds what was determined on Line 8B of the Fund Report, a revised Form 2 (Estimate of Miscellaneous Revenue) must be attached to the Certified Copy supporting the documented increase. When a unit is reporting a tax distribution received in the current year that is for taxes due in the previous year, this amount should be added to the miscellaneous revenue amount on the Certified Copy. The unit must submit a revised Budget Form 2 along with the Certified Copy showing the revenue as the previous year's taxes received in the current year. Entries should be made in whole dollars and cents should not be included. The revised Form 2 must show the new total amount of Miscellaneous Revenues in Column B—the amount previously reported—plus any additional amount available to be appropriated. If no revised Form 2 is received, the unit's request will be processed using the miscellaneous revenue amount on Line 8B of the current year's Fund Report. If revenue is available from carry-over cash that is not encumbered from the previous year or the current budget, supporting evidence is not necessary.

The unit must, if the information is available, document on the Certified Copy the amount of revenue it will lose due to circuit breakers. The Department will take this figure into consideration so as not to approve appropriations for which the unit will not have adequate funding.

When a unit is requesting an additional appropriation for a Bus Replacement Fund, debt fund, or Capital Projects Fund ("CPF"), a brief explanation of the purpose of the request and the accounts affected will facilitate the processing of the request. In some cases, amendments or emergency amendments to CPF plans and bus replacement plans may be required. Units should consult the appropriate memoranda and statutes for more information.

Incomplete documentation may result in the denial of the request or the Department may return the Certified Copy to the unit.

When the Department receives a Certified Copy for a proposed additional appropriation that requires its approval, the Department will determine whether sufficient funds are available during the calendar year for the proposal and whether the proper procedures have been followed before issuing a written determination within 15 days of receipt of the proposal. All requests for additional appropriations must be submitted to the Department on or before December 15. The Department will limit the amount of the additional appropriation to the amount of funds available or to be made available and that have not been previously appropriated.

A unit may request reconsideration of the Department's denial or modification of a proposal by filing a written request with the Department within 15 days of receipt of the determination. The Department must act upon a request for reconsideration within 15 days of receipt. A request for reconsideration must state with reasonable specificity the reason for the request for reconsideration.

SUBMITTAL

Submit the Certified Copy, financial information, revised Form 2s, if applicable, and any other relevant information to:

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
ATTN: BUDGET DIVISION—ADDITIONAL APPROPRIATIONS
IGCN ROOM N1058 / 100 N. SENATE AVE.
INDIANAPOLIS, IN 46204
or fax to: (317) 974-1629

Resolution for Additional Appropriation

WHEREAS, Board of Trustees of the _____ Public Library (hereafter "Board") has determined that it is now necessary to appropriate more money than was originally appropriated in the annual budget;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees of the _____ Public Library that for the expenses of the taxing unit the following additional sums of money are hereby appropriated out of the funds named and for the purposes specified, subject to laws governing the same:

DULY ADOPTED by the Board of Trustees of the _____ Public Library at its regular meeting held on the ____ day of _____, _____, at which meeting a quorum was

present.

Fund Name:	Amount Requested	Amount Approved
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Major Category

10000 Personal Services	\$ _____	\$ _____
20000 Supplies	\$ _____	\$ _____
30000 Other Services/Charges	\$ _____	\$ _____
40000 Capital Outlays	\$ _____	\$ _____

TOTAL for

_____ Fund
\$ _____

\$ _____

(Repeat for any other

funds)*****

JULY ADOPTED by the Board of Trustees of the _____ Public Library at its regular meeting held on the ____ day of _____, _____, at which meeting a quorum was present.

NAY AYE

ATTEST _____ SECRETARY _____

NOTICE TO TAXPAYERS OF ADDITIONAL APPROPRIATIONS

Notice is hereby given the taxpayers of _____ Public Library, _____
County, Indiana, that the proper legal officers will consider the following additional
appropriations in excess of the budget for the current year at their regular meeting place at
(location), at time am or

pm, on the (number) day of (month), (year)	
Fund Name:	Amount
Major Category	
10000 Personal Services	\$ _____
20000 Supplies	\$ _____
30000 Other Services/Charges	\$ _____
40000 Capital Outlays	\$ _____
TOTAL for _____ Fund	\$ _____

(Repeat for any other funds)

Taxpayers appearing at the meeting shall have a right to be heard.

CERTIFIED COPY OF ADDITIONAL APPROPRIATION

UNIT NAME: _____
COUNTY NAME: _____
Date of Publication: _____ Newspaper: _____
Date of Publication: _____ Newspaper: _____
Date of Public Hearing: _____
Date of Resolution/Ordinance: _____

County # _____
Unit # _____
Date Received: _____

Order Number: _____

Complete for each fund from which the additional appropriations are made. Use a separate column for each fund. Lines referred to below are on the Fund Report from the DLGF.

A. DLGF Fund Number				
B. Fund Name				
C. Appropriation Amount Requested				
D. Amount by Reduction				
E. Net Amount of Increase (C minus D)				
1. Property Tax Levy (Line 16)				
2. Levy Excess (Line 15)				
3. PTRC from CAGIT (Line 13A)				
4. LOIT Freeze Amount (Line 13B)				
5. Misc. Revenue (Line 8B) (If higher than 8B amount, a revised Budget Form 2 must be attached.)				
6. January 1 Cash Balance (include investments)				
7. Subtotal of Funds (Add 1 thru 6)				
8. Less Circuit Breaker				
9. Total Funds (7 minus 8)				
10. DLGF Approved Budget (Line 1)				
11. Encumbered Appropriations				
12. Temporary Loans Outstanding as of January 1				
13. Beginning Obligations (Add 10 thru 12)				
14. Surplus Funds (9 minus 13)				
15. Previous additional appropriation(s) approved since January 1, less any reductions in appropriations				
16. Amount transferred to the Rainy Day Fund				
17. Surplus Funds Remaining (14 minus 15 minus 16)				

I, _____, fiscal officer of _____, do hereby certify that the above information is true and correct.

Dated this ____ day of _____, 20____.

(Signature)

(Title)

(Unit Address)

(Telephone Number)

(City/Town/Zip Code)

(E-mail Address)